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MAY 22 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

May 11, 2000

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
455 12th Street, S.W., TW-A325
Washington, DC 20554

Re: CC Docket No. 96-45 Petitions of GTE North, Inc., GTE Midwest, Inc.,
CenturyTel of Central Wisconsin, LLC, Telephone USA of Wisconsin,
LLC, Spectra Communications Group, LLC, CenturyTel of Russellville,
LLC, CenturyTel of Siloam Springs, LLC, and CenturyTel of Central
Arkansas, LLC for Waiver of the Commission's Rules.

Dear Ms. Salas:

This is to advise you that on Thursday, May 11, 2000, John Jones of CenturyTel, Gordon Maxson of GTE, and Karen Brinkmann, Richard Cameron and William Carnell of Latham and Watkins met with Irene Flannery, Katherine Shroeder, Jack Zinman, Katie King, Adrian Wright, Paul Garnett, Bob Loube and Gary Seigel, all of the Accounting Policy Division of the Common Carrier Bureau, in regard to the above-referenced above Petitions for Waiver.

At the meeting, John Jones discussed the transactions in connection with which those Petitions were filed. He stated that GTE and the various CenturyTel owned and affiliated entities are prepared to close on those transactions very shortly. He also stated that while CenturyTel is satisfied with the progress to date of those Petitions, any delay would cause financial harm to both CenturyTel and GTE, and would also harm consumers by delaying the implementation of new services. The parties also discussed certain facts relating to the Universal Service support that the transferred exchanges would receive after the transaction, all of which

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LATHAM & WATKINS

Magalie Roman Salas, Secretary

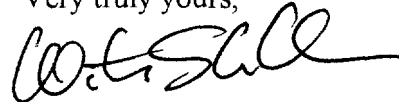
May 11, 2000

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were put forth in the Petitions. Copies of the attached materials were distributed during the meeting.

The original and one copy of this letter are enclosed.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. S. Carnell", written in a cursive style.

William S. Carnell
of Latham & Watkins

cc: Irene Flannery
Katherine Shroeder
Jack Zinman
Katie King
Adrian Wright
Paul Garnett
Bob Loube
Gary Seigel



CenturyTel Purchase of GTE Properties

CenturyTel has entered into agreements with GTE to purchase more than 450,000 access lines in Arkansas, Missouri and Wisconsin. These are primarily rural exchanges. The Arkansas transaction represents GTE's exit from the state as a local and intraLATA toll provider. In Missouri, Spectra Communications Group, LLC, in which CenturyTel has a preferred equity interest, will become the first minority-owned telephone company in the United States. In addition, in Wisconsin, one purchaser, Telephone USA is headed by a minority-owned entity working in partnership with CenturyTel.

State	Lines at purchase	Projected at closing
Arkansas	214,270	232,550
Missouri	116,149	127,860
Wisconsin	126,410	132,982
TOTAL	456,829	493,392 Estimated total at closing

- ◆ Expedient approval of these transactions from the FCC will benefit more than 450,000 customers in these three states. A reasonable approval time will facilitate
 - Rapid deployment of advanced services
 - Additional choice of providers for internet, long distance, intraLATA toll and other services
 - Introduction of new services
 - Increased customer contact; and
 - Entry of a dedicated and experienced provider to previously underserved markets.
- ◆ Customer reaction to the announcements has been positive with services from CenturyTel highly anticipated in some markets. Voicemail and local internet dial-up penetration is extremely low in some exchanges. CenturyTel is known as the leading provider of integrated telecommunications services in rural America and serves many of the markets surrounding the GTE properties.
- ◆ Deployment of advanced services in its rural markets is a key operational objective of CenturyTel. More than 40 percent of CenturyTel's access lines will see DSL deployment this year. Wisconsin and Arkansas will become CenturyTel's largest operating states. The company is investing the money and resources in these states to improve telecommunications services for GTE customers that they would not have enjoyed except for this transaction.
- ◆ CenturyTel has already invested in many of the resources needed to improve services in these exchanges. These transactions are creating jobs and economic development in rural markets.
- ◆ CenturyTel has added more than 950 jobs to date as the result of these acquisitions—many of them in rural markets. CenturyTel added more than 200 customer service representatives in January for the Arkansas and Missouri properties alone. All GTE employees have been retained in each state and CenturyTel is adding approximately 200 additional jobs in each state as the result of the acquisition.

- ♦ CenturyTel and GTE have been working cooperatively for the past several months to address and resolve more than 6,000 individual issues related to operations and operations support that must be dealt with before closing. The acquisitions are ready to close from an operations perspective. Regulatory approvals are now needed.
- ♦ Delays will cause significant notification and timing problems for the carriers that could negatively affect end user customers, vendors and industry affiliates. This includes billing, 911, CLECs, access services, calling cards and network notification issues. Telecordia requires a minimum of 30 days advanced notice for network change over issues related to switching and numbering (LERG).
- ♦ Both companies have invested significant resources in both personnel and dollars to make these transactions work as smoothly and seamlessly as possible for customers. More than 100 CenturyTel and GTE employees have been working to make acquisition of these lines as seamless as possible for their customers.
- ♦ CLECs are acquiring approximately 900 business customers per month in Arkansas before CenturyTel can establish a presence as the new local exchange provider. CenturyTel is acquiring and honoring numerous interconnection agreements in three states from GTE.
- ♦ An acquisition of this size is a major undertaking for both carriers and involves literally every aspect of both the buyer and seller's business and operations functions. Broad categories of deliverables include End User Billing, Customer Contact, Finance, Whole Marketing, Operations, Information Technology, Regulatory and Operations Support with more than 55 sub categories.
- ♦ GTE's exit plan involves five stages that, over the course of more than nine months, attempt to coordinate data transfer with critical timing issues involved in finalizing the acquisition. The sale of more than 400,000 access lines involves extensive data mapping, systems integration, network conversion program testing, data transmission, billing provisioning, database management and information systems conversions.
- ♦ Coordination of mapping and engineering operations alone between the two carriers are costing more than \$150,000 for every month closing is delayed.
- ♦ GTE is in the process of closing multiple transactions with other buyers in other states. CenturyTel is considered the strongest and most capable of all the buyers GTE is dealing with today. Both companies need to complete these acquisitions and allow GTE to concentrate on its other buyers.
- ♦ **Federal approval without unnecessary delays is critical to the telecommunications services of these 400,000 customers and to the business operations of CenturyTel and GTE.**

CenturyTel Transactions With GTE: Timeline of Study Area Waivers

January

February

March

April

May

June

July

August

Public Notice Issued
2/25/00

Comments Due
3/15/00

Public Notice Issued
3/22/00

Final Order Issued
5/21/00

Public Notice Issued
3/15/00

Public Notice Issued
3/22/00

Comments Due
4/15/00

Public Notice Issued
3/15/00

Public Notice Issued
3/22/00

Comments Due
4/15/00

Public Notice Issued
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